

IOWA AGRICHEMICAL REMEDIATION ACT

Report to the Iowa General Assembly
January 10, 2001

Submitted by:
Patty Judge
Secretary of Agriculture

Introduction

The Agrichemical Remediation Act was adopted during the 2000 Session of the Iowa General Assembly, and the Act was signed into law by the Governor on May 15. The Act states in Chapter 161.11 that the Iowa Department of Agriculture and Land Stewardship, in cooperation with the Agrichemical Remediation Board, shall submit a report to the General Assembly by January 10th of each odd-numbered year. The report shall provide a summary of the program and a detailed accounting of the fund's financial condition, including expected revenue and expenses during the following two years.

Intent of the Act

The Agrichemical Remediation Act was established as a voluntary program through which responsible persons can seek assistance to remediate sites contaminated by fertilizers and pesticides.

The Agrichemical Remediation Board

Chapter 161.3 of the Act establishes an Agrichemical Remediation Board (Board) within the Iowa Department of Agriculture and Land Stewardship (IDALS). The Board consists of seven-voting members, as follows:

The Secretary of Agriculture, or designee

The Director of the Department of Natural Resources, or designee

Five members, serving staggered terms, appointed by the Secretary of Agriculture as follows:

One person, who is retailer of agricultural products

One person, who is a producer of agricultural products

One person, who is a distributor of agrichemicals

One person; who is a manufacturer or distributor of fertilizers

One person, who is a pesticide registrant

The persons appointed to the Board are listed below:

<p>Maury Hyde, Chair United Suppliers, Inc. P.O. Box 538 Eldora, IA 50627 641-658-2341 Representing Distributors Length of Term: Two Years</p>	<p>X Julie Bell Heartland Coop P.O Box 48 Winterset, IA 50273 515-975-7845 Representing Retailers Length of Term: Three Years</p>
<p>Peggy Casper P.O. Box 329 Winterset, IA 50273 515-462-2419 Representing Agricultural Producers Length of Term: 3 Years</p>	<p>Susan Dixon, Bureau Chief Land Quality Bureau Iowa Department of Natural Resources Henry A. Wallace Building Des Moines, IA 50319 515-242-6346 Director's Designee Length of Term: Indefinite</p>
<p>Jim Ellerhoff, Groundwater Program Specialist Iowa Department of Agriculture and Land Stewardship Henry A. Wallace Building Des Moines, IA 50319 515-281-8506 Secretary of Agriculture's Designee Length of Term: Indefinite</p>	<p>David Flakne Syngenta Corporation 1.501 - 50th Street Suite 150 West Des Moines, IA 50266 515-223-6217 Representing Pesticide Registrants Length of Term: One Year</p>
<p>R. Hovey Tinsman III Twin-State, Inc. 3541 East Kimberly Road Davenport-IA 52807 319-359-3624 Representing Fertilizer Manufacturers Length of Term: Two Years</p>	<p>Interim Staff: Daryl D. Frey, Director Laboratory Division Iowa Department of Agriculture and Land Stewardship Henry A. Wallace Building Des Moines, IA 50319 515-281-8610</p>

The Agrichemical Remediation Board has met on three occasions:

October 17, 2000
November 15, 2000
December 11, 2000

At the October 17 meeting, the Board approved a draft of organizational rules and directed that they be filed and adopted. The Board received a report from staff regarding the status of the Board's budget. Staff announced that \$207,626, plus any accumulated interest, was available for use at the Board's discretion to begin its work. The Board discussed the need for a long-term funding base to enable the Board to begin and complete the work of remediating contaminated agrichemical sites. The Board directed staff to solicit assistance from consulting firms to draft administrative rules setting forth the procedures for firms to seek remediation assistance from the program.

On November 15th, the Board convened its second meeting, and elected Maury Hyde as Chair. The Board reviewed proposals from consultants interested in assisting the Board in drafting the program's administrative rules. The Board selected Mr. Charles Rock, President, RIM Consulting.

Discussions were held with legal counsel from the Iowa Department of Natural Resources regarding concurrent rule making authorities with the Environmental Protection Commission (EPC) in contaminated site clean-up. The Board decided to communicate directly with the EPC recognizing that concurrent rule making authority exists and to express the Board's decision to move forward. Also, the Board decided to express its commitment to maintain communication with the EPC and work cooperatively.

On December 11th, the Board met to review a draft of administrative rules prepared by the Board's consultant. At the time of this report, the draft is currently under review by Board members and staff, however, the Board anticipates that the administrative rules will be completed in the next few weeks. Once filed and adopted, the program will be ready to begin remediation of contaminated sites around July 1, 2001, provided funding is available.

Financial Condition of the Board

Current Revenue and Expenses

During the 2000 Session of the Iowa General Assembly resources were allocated to the Board by transferring the balance of the Organic Nutrient Management Fund to the Agrichemical Remediation Program. These funds do not revert to the State's General Fund if unexpended at the end of the fiscal year.

Beginning Balance:	\$212,171
Expenses:	
Board Per Diem	269
Board Travel	142
Remaining Balance:	\$211,760

Encumbrance:
 Consultant Fee \$ 12,200

Ending Balance (projected):
 June 30, 2001 \$199,560

Future Expenses and Revenue

Future expenses will be determined by the establishment of an annual revenue stream, and by the number of applicants the program receives. Given that no annual revenue stream has been established for this program, the Board cannot determine either future revenue or future expenses for the next two years. The Board estimates that once the program is funded and fully operational, clean-up costs will range between \$1 million - \$2 million annually. The Board anticipates that in the early years of the program, applications will begin slowly and increase in numbers as the program gains in recognition and reputation.

Without an annual revenue stream, the IDALS has not identified a need to hire personnel to manage the program.' Although the Board has been aggressive in putting a program in place, activity by the Board is likely to diminish in the foreseeable future unless the funding stream is established.

Attachments

Board Organizational Rules
Letter from the Board to the Environmental Protection Commission
Draft Program Administrative Rules

¹ Two FTEs have been authorized by the Act.